

Company Registration Number: 07461209 (England & Wales)

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

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PARKSTONE GRAMMAR SCHOOL TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Dawn Stark
Ann Simmons
David Hallsworth

Trustees

Dawn Stark, Chair¹
Robert Wilsher, Responsible Officer¹
Christine Bailey
Suzie Baverstock (resigned 19 October 2021)¹
Christopher Benn¹
Simon Bowden
Andrew Burn
Adrian Cormack
Simon Dunk
David Hallsworth, Headteacher and Accounting Officer¹
Matthew Hosier
Samantha Pope
Ann Simmons¹

¹ member of the finance and premises committee

Company registered number

07461209

Company name

Parkstone Grammar School Trust

Principal and registered office

Sopers Lane, Poole, Dorset, BH17 7EP

Senior management team

David Hallsworth, Headteacher
Danielle Willis, Deputy Headteacher
John Scopes, Assistant Headteacher
Jeremy Graves, Assistant Headteacher
Stephanie Izard, Assistant Headteacher
Jamie Clayton, Assistant Headteacher (appointed January 2021)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent auditor

James Cowper Kreston, Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS

Bankers

Lloyds Bank plc, Broadstone, Dorset, BH18 8DL

Solicitors

Browne Jackson, 44 Castle Gate, Nottingham, NG1 7BJ

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The principal object and activity of the charitable company is to provide education for eligible girls between the ages of 11 and 18. As the school is a selective school, selecting on the grounds of academic ability, eligibility relates to the meeting of a particular academic standard measured by performance in set tests. The school aims to offer a broad and balanced curriculum which meets the needs of its students.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association is the primary governing document of the Academy. The charitable company is known as Parkstone Grammar School Trust.

The Governors act as the Trustees for the charitable activities of the Academy and are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

There are no third party qualifying indemnities.

Method of recruitment and appointment or election of Governors

The Governors are appointed under the terms of the Articles of Association as follows:

- up to 1 Governor, appointed by the Trustees
- up to 1 LA Governor appointed by the LA
- up to 7 Parent Governors elected by parents
- up to 4 Staff Governors (including the Headteacher)
- up to 4 Partnership Governors appointed by the Governing Body
- up to 2 Community Governors appointed by the Governing Body
- any Additional Governors appointed by the Secretary of State for Education
- up to three co-opted Governors co-opted by the Governing Body

The term of office for all Governors (except the Headteacher) is four years. The Headteacher's term of office runs parallel with his/her contract of employment. The Governors who were in office at 31 August 2021 and who served throughout the year are listed on page 1.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Policies adopted for the induction and training of Governors

Governors undergo an induction and mentoring process. The training and induction provided for new Governors will depend on their existing experience and is tailored to their individual requirements but would always include a tour of the Academy and a chance to meet with staff and students. An annual evening training session is held each autumn term as part of the Governors' self-review and training process. All Governors are provided with or given electronic access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Advantage is taken of specific courses offered by the local authority and other bodies. The school also subscribes to The Key Governor Support providing all Governors with up-to-date online support and guidance.

Organisational structure

The Governors are responsible for setting the direction of the school, general policy, the School Development Plan and the Budget. They are also responsible for monitoring the work of the school and providing support and challenge. All Governors are members of at least one committee – Steering Group, Curriculum and Student Matters, Finance and Premises, Personnel and Training each of which has its own Terms of Reference. They work closely with the school's Leadership Group to whom leadership and management of the school on a daily basis is delegated. The Leadership Group is responsible for the authorisation of spending within agreed budgets and the appointment of staff. However, the interview panels for all middle leaders will normally involve a Governor and for senior appointments a Governor must be involved. Some spending control is devolved to members of the Middle Leadership (e.g. Heads of Department) with limits above which a Senior Leader must countersign. Spending above certain limits (as defined in the school's Finance Manual) must be countersigned by either the Chair of Governors or the Chair of Finance and Premises. The Leadership Group comprises the Headteacher, one Deputy Headteacher and four Assistant Headteachers. The Headteacher is the Academy's Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of key management personnel is determined by a number of contributory factors including the pay scales for each role determined by the Trustees and published in the Whole School Pay Policy e.g. Headteacher, Deputy Headteacher, Assistant Headteacher, the level of experience of the staff member and the annual appraisal outcome. Levels of pay may be affected by any nationally agreed pay awards, the ability to recruit key management personnel and retain them in post. All amendments to key management personnel's pay and remuneration is discussed and agreed by the Personnel and Training committee.

Whilst the school, as an Academy, can set its own pay scales, the Trustees are mindful of the statutory pay ranges published in the School Teachers' Pay and Conditions Document (STPCD) and stay within the recommendations of the STPCD.

Within the STPCD a "unit score" determines the headteacher group and pay range determined by the number of pupils at each key stage on the school register.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Related parties and other connected charities and organisations

The Academy is not part of wider network such as a soft federation whereby the relationship involved impacts on the operating policies. The Academy has not established any relationships with related parties and any other charities/organisations with which it cooperates in the pursuit of charitable activities such that they have influence over operational policies.

However, the school has a wide range of links with other educational establishments within the area. The school works very closely with Poole Grammar School with which we have a joint Sixth Form timetable, enabling the better use of resources and the widening of opportunities for the students. The school is also an active member of the South West Academic Trust with 12 other grammar schools in the south west and Exeter University. Heads and Directors meetings are held annually with Heads meetings 3 times a year and Subject Conferences held annually. The Trust also organises a Teaching and Learning Conference each year. The school is a strategic partner of the South Central Teaching School Hub.

Trade union facility time

No employees were relevant union officials during the year.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is to provide education for eligible girls between the ages of 11 and 18. As the school is a selective school, selecting on the grounds of academic ability, eligibility relates to the meeting of a particular academic standard measured by performance in set tests. The school aims to offer a broad and balanced curriculum which meets the needs of its students.

Objectives, strategies and activities

The main objectives of the Academy during the year ended 31 August 2021 are summarised below:

- to ensure that every student enjoys the same high quality education in terms of resourcing, teaching and care
- to enable our students to enjoy the highest academic success and to achieve their potential
- to maintain the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to provide value for money for the funds expended
- to comply with all appropriate statutory and curriculum requirements
- to maintain close links with our partner schools and other schools within the Bournemouth, Christchurch and Poole council (BCP)
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

To achieve our objectives we provide:

- outstanding teaching and learning opportunities for all students to attain the highest academic qualifications
- an outstanding pastoral support system that helps our students achieve
- training opportunities for all staff
- an extensive programme of extra-curricular activities for all students that enrich and extend
- support for students in terms of careers and higher education
- continued links with BCP, South Central Teaching School Hub and the South West Academic Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Public benefit

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's guidance on Public Benefit. The admissions policy of Parkstone Grammar School aims to reflect the underlying ethos of the school which is to provide a selective education for girls from the historic Borough of Poole and its environs. The school is heavily oversubscribed, and places are offered to those who have achieved the required standard in testing in an agreed priority order. The most up-to-date admissions oversubscription criteria can be found on the school's website.

The Academy is involved with the local community through the programme of fundraising and outreach activities that the students undertake.

Community and sports groups have use of the facilities at the school through our lettings programme.

Strategic report

Achievements and performance

Key performance indicators

The school is once again very proud of its excellent levels of academic success but equally proud of its outstanding pastoral care, through the commitment of our staff, and our continuing partnership work with other agencies. In October 2017 the school was inspected by Ofsted as a Section 5 inspection and was judged as Outstanding in all areas.

Key Stage 4 Results

The school is delighted with the results which are exceptional and a testament to the efforts and hard work of the students coupled with the dedication and expertise of the staff.

In 2021 99.4% of students achieved 5 standard passes including English and Mathematics with 78.5% of grades at GCSE at grades 7-9. The Indicative Progress 8 figure for 2021 is again incredibly positive with a score of 0.57 (CI = 0.78 – 0.36) which is above the national average.

The small number of Disadvantaged (8) and SEND (26) students have a Progress 8 figure of 0.06 (CI = 0.98 to -0.86) and 0.00 (CI = 0.52 to -0.52) respectively. By comparison, the national average Progress 8 figure for Disadvantaged students, in 2021, was -0.36 and for SEND students, in 2021, was -0.51.

The percentage of students achieving the "EBacc" is approximately 59.3% it should be noted that this figure reflects only success in a very narrow group of subjects: English, Mathematics, Science, an MFL subject and either History or Geography.

Year 13 Advanced Level Results

The school was also delighted with this year's KS5 results. The Year 13 students excelled with 84.7% of grades at A* B. The A* E pass rate is 100%. Unvalidated added value is 0.51 (CI = 0.60 - 0.41), above the national average for A Levels.

The current Ofsted grading for the Academy is Outstanding in all areas.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

The principal source of income is grants from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA). The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives a formula capital grant from the ESFA of £26,390 and this is shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

The change in the balance of restricted general funds (excluding pension reserve) plus unrestricted funds during the year was £189,401.

Additionally, income from other trading activities was £93,554 and income from unrestricted activities such as educational trips and activities and music lessons was £172,956.

Significant expenditure has been spent on staff salaries of £5,545,191, trips and activities costs of £82,348 and examination fees of £105,315.

The school received additional income to partially compensate for the substantial costs of the Covid testing programme; £13,440 from Public Health England for participating in a Covid testing pilot and £50,880 from the DfE. Additionally, over the year, the school received £73,680 of catch-up funding which paid for extra catch-up sessions with small groups of students and the employment of a teaching assistant for 2020-21 and 2021-22 to support the catch-up programme. Similar to 2019-20 the school experienced increased costs related to ensuring a Covid-secure school in terms of additional cleaning routines, signage and equipment. There was some offset of these additional costs due to the reduced activity on the school site affecting utility usage, printing, paper and other people rated resources.

The board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme) which is set out in Note 22 to the financial statements, represents a significant potential liability. However, the existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through pension contributions recommended by the pension actuaries during the subsequent triennial valuations of the scheme. The Academy is able to meet the known commitments to annual contributions for the foreseeable future. The risk arising from this liability is further minimised given that, at the request of the Secretary of State for Education, a guarantee has been given that, in the event of an Academy trust closure, outstanding local government pension scheme liabilities would be met by the Department for Education. This guarantee came into force on 18 July 2013.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Reserves policy

The Academy plans its expenditure so that grant funding should be expended each year to support the delivery of education provision to its students. However, given the prudent use of resources and the stable workforce at the school, the Academy has been able to accumulate a very healthy level of reserves.

At 31 August 2021 these reserves are as follows:

Fund	Restricted (£)	Unrestricted (£)	Total (£)
Fixed asset fund	24,033,521	-	24,033,521
Pension reserve	(4,445,000)	-	(4,445,000)
Restricted funds - allocated	263,915	-	263,915
Restricted funds - unallocated	51,348	-	51,348
Unrestricted funds	-	711,986	711,986
Total	19,903,784	711,986	20,615,770

The Academy policy on reserves is to retain a minimum of one month's payroll and any committed funds for immediate use and to act as a contingency reserve for unexpected in-year deficits arising. The remainder of the reserves are to support the school's specific strategic development or specific improvement initiatives. There are a number of capital projects currently in the planning phases and the school is continuing to fund a programme of equipment replacement as the need arises. In 2020-21 reserves were released including £59k to continue the IT improvements and a further £54k on improvements to spaces and furniture and equipment in school.

The level of reserves is reported to the board of Trustees on a monthly basis and this level is kept under review with the Trustees considering the future plans of the Academy alongside the nature and size of the reserves being held.

Investment Policy

The Governors' Investment Policy provides full information on how cash balances are held in order to

- a) be as secure as possible,
- b) give access as and when required and;
- c) earn as much interest as possible to help fund improvements within the school.

The aim of this policy is to ensure that funds which the school does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the school's income but without risk. Our aim is to spend the public monies with which we are entrusted for the direct educational benefit of students as soon as is prudent. The school does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

During the accounting year all available funds were held in interest bearing accounts earning a total of £381 for the year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy are as follows:

Financial – the Academy has considerable reliance on continued Government funding through the ESFA. In excess of 90% of the incoming resources are funded in this way and although this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The financial risk of failing to be a going concern is met through the due diligence of the Accounting Officer (Headteacher) and the Chief Financial Officer (Business Manager) together with the scrutiny of the Finance and Premises Committee.

Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation including statutory returns. This risk is mitigated by the scrutiny of the Finance and Premises Committee, the work of the external audit team and the Responsible Officer. The school follows clearly laid down procedures including the procedures in the Financial Procedures Manual which clearly lay out responsibilities and processes to be followed.

Reputational – the continuing success of the Academy is dependent on attracting applicants in sufficient numbers and this is achieved by maintaining the very highest educational standards.

Staffing – the success of the Academy is reliant on the quality of its staff and therefore policies are followed that ensure the continued development and training of staff. This includes the appropriate and statutory safeguarding training for all staff to ensure that safeguarding and child protection is paramount.

Premises and IT- replacement, management and resilience strategies are implemented where appropriate to reduce risks associated with any possible failure of the IT and physical assets serving the school. The school follows all known Health and Safety guidance and has a clear schedule of responsibilities and has comprehensive and extensive risk protection cover.

Fundraising

Parkstone Grammar School encourages its students to actively engage with all cultures and religions in our diverse global community. This is reflected in our fundraising activities which are undertaken to support a wide range of charitable causes both in the UK and internationally.

The school also undertakes fundraising activity on its own behalf, predominantly through requesting voluntary donations from parents to either support the general function of the school or for a specific one off purpose.

Parkstone Grammar School does not engage professional fundraisers or commercial partners to facilitate its fundraising activities.

All fundraising conforms to recognised standards and is periodically reported to the finance and premises committee who provide governance oversight. No complaints have been received in relation to the school's fundraising activity which is intentionally low risk, engaging only with known contacts (for example parents). None of the activity is likely to be deemed as persistent or to be experienced as applying pressure to donate.

Plans for future periods

The school's aims and objectives in terms of providing the best educational experience possible will continue and be at the forefront of all the school does. Its priorities are those laid down in the School Development Plan and focus on helping students achieve their potential.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Funds held as custodian on behalf of others

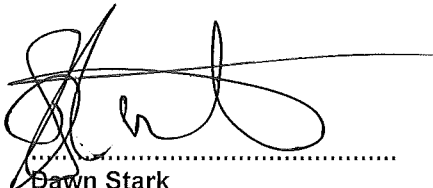
Not relevant to the Academy trust.

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'Dawn Stark', written over a dotted line.

Dawn Stark
Chair of Trustees

Date: 13/12/2021

PARKSTONE GRAMMAR SCHOOL TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Parkstone Grammar School Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Parkstone Grammar School Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 3 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Dawn Stark, Chair	3	3
Robert Wilsher, Responsible Officer	2	3
Christine Bailey	3	3
Suzie Baverstock	3	3
Christopher Benn	2	3
Simon Bowden	3	3
Andrew Burn	3	3
Adrian Cormack	1	3
Simon Dunk	2	3
David Hallsworth, Headteacher and Accounting Officer	3	3
Matthew Hosier	1	3
Samantha Pope	3	3
Ann Simmons	3	3

There have been no changes to the structure of the board of Trustees during the accounting period. The composition has varied slightly with changes to staff and parent Governors as a result of parental and staff recruitment.

The Finance and Premises committee is a subcommittee of the main board of trustees. Its purpose is to:

- Scrutinise the setting of the annual budget, ensuring that resources are allocated in line with the school's strategic plan. Recommend the budget for adoption to the full governing board
- Ensure that the school has a clear budget forecast which identifies risks and the mitigation of these risks to ensure that balanced budgeting is achieved
- Monitor the monthly spend against budget and forecast, challenging the value for money decisions taken and to ensure that assets and financial resources are being used effectively
- Ensure that the school's in-year and 3-year forecasts meet the planning and delivery of the curriculum and the maintenance of a safe and secure site
- Agree and monitor financial policies, including reserves and investments
- Review and scrutinise external audit reports and recommend the adoption of the annual financial statements to the full governing board
- Review reports from the Responsible Officer and ensure that recommendations from internal audit scrutiny are implemented

PARKSTONE GRAMMAR SCHOOL TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dawn Stark	2	4
Robert Wilsher	4	4
Suzie Baverstock	4	4
Christopher Benn	4	4
David Hallsworth	4	4
Ann Simmons	3	4

Review of value for money

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Recruiting, deploying and managing staff actively ensuring that they are adequately trained for their roles
- Challenging automatic replacement of staff leaving
- Monitoring KPIs on proportion of grant income spent on staff salaries
- Competitive tendering of services
- Ensuring that adequate resources are allocated to planned maintenance and projects that enhance the teaching and working environment and preserve the longevity of accommodation and school assets

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Parkstone Grammar School Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has appointed a non-employed Trustee as Responsible Officer (RO) to deliver its programme of internal scrutiny. On a termly basis the RO reports to the board of Trustees, through the Finance and Premises committee, on the operation of the systems of internal control and on the discharge of the board of Trustees' responsibilities. In 2020-21 the RO has carried out three visits, reporting termly on the level of compliance with financial controls with reference to the financial procedures' manual adopted by the Academy.

Since the year-end the RO has conducted a review of a significant area of risk identified in the school's risk register, Health and Safety and a review has been conducted on the school's compliance with Health and Safety legislation and guidance. Also, since the year-end there has been a separation of the examination of risks through a separate committee, the Audit and Risk Committee, to further strengthen the consideration of the risk and control framework.

Review of internal controls, relevant to the preparation of the financial statements, is also conducted by the external auditor. Any control issues raised are again considered by the board of Trustees, through the Finance and Premises committee.

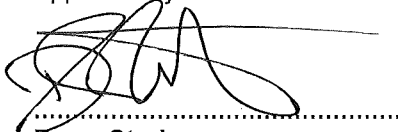
Review of effectiveness

As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

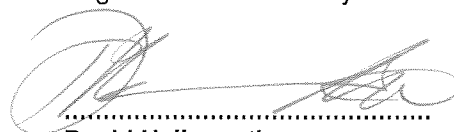
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees and signed on their behalf by:



Dawn Stark
Chair of Trustees

Date: 13/12/2021



David Hallsworth
Headteacher & Accounting Officer

Date: 13/12/2021

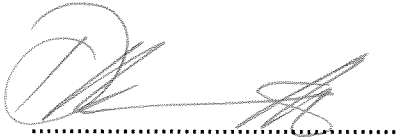
PARKSTONE GRAMMAR SCHOOL TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Parkstone Grammar School Trust I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.



David Hallsworth

Accounting Officer

Date: 13/12/2021

PARKSTONE GRAMMAR SCHOOL TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

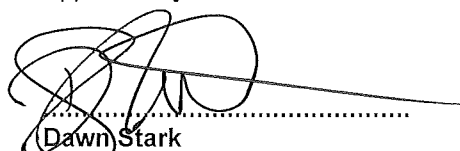
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees and signed on its behalf by:


.....
Dawn Stark
Chair of Trustees
Date: 13/12/2021

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARKSTONE GRAMMAR SCHOOL TRUST**

Opinion

We have audited the financial statements of Parkstone Grammar School Trust (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARKSTONE GRAMMAR SCHOOL TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARKSTONE GRAMMAR SCHOOL TRUST (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARKSTONE GRAMMAR SCHOOL TRUST (CONTINUED)**

Use of our report

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Darren O'Connor BSc (Hons) FCCA ACA (Senior statutory auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House

George Street

Reading

Berkshire

RG1 8LS

Date: 15 December 2021

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
PARKSTONE GRAMMAR SCHOOL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 22 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Parkstone Grammar School Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Parkstone Grammar School Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Parkstone Grammar School Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Parkstone Grammar School Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Parkstone Grammar School Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Parkstone Grammar School Trust's funding agreement with the Secretary of State for Education dated 17 December 2010 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
PARKSTONE GRAMMAR SCHOOL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



James Cowper Kreston
Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 15 December 2021

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

		Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
	Note					
Income from:						
Donations and capital grants	3	8,646	6,094	26,390	41,130	40,948
Charitable activities	4	172,956	6,547,296	-	6,720,252	6,355,346
Other trading activities	5	64,420	29,134	-	93,554	110,757
Investments	6	381	-	-	381	2,742
Total income		246,403	6,582,524	26,390	6,855,317	6,509,793
Expenditure on:						
Raising funds		-	3,933	-	3,933	8,699
Charitable activities	7	213,843	6,688,401	1,263,194	8,165,438	7,979,621
Total expenditure		213,843	6,692,334	1,263,194	8,169,371	7,988,320
Net income/(expenditure)		32,560	(109,810)	(1,236,804)	(1,314,054)	(1,478,527)
Transfers between funds	16	-	(83,349)	83,349	-	-
Net movement in funds before other recognised gains/(losses)		32,560	(193,159)	(1,153,455)	(1,314,054)	(1,478,527)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(120,000)	-	(120,000)	(498,000)
Net movement in funds		32,560	(313,159)	(1,153,455)	(1,434,054)	(1,976,527)
Reconciliation of funds:						
Total funds brought forward		679,426	(3,816,578)	25,186,976	22,049,824	24,026,351
Net movement in funds		32,560	(313,159)	(1,153,455)	(1,434,054)	(1,976,527)
Total funds carried forward		711,986	(4,129,737)	24,033,521	20,615,770	22,049,824

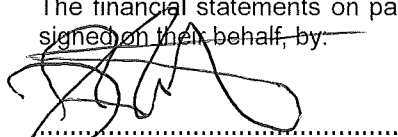
The notes on pages 25 to 48 form part of these financial statements.

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07461209

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	24,033,521	25,183,859
		<u>24,033,521</u>	<u>25,183,859</u>
Current assets			
Debtors	14	124,899	113,718
Cash at bank and in hand		1,349,156	1,187,987
		<u>1,474,055</u>	<u>1,301,705</u>
Creditors: amounts falling due within one year	15	(446,806)	(460,740)
Net current assets		<u>1,027,249</u>	<u>840,965</u>
Total assets less current liabilities		<u>25,060,770</u>	<u>26,024,824</u>
Net assets excluding pension liability		<u>25,060,770</u>	<u>26,024,824</u>
Defined benefit pension scheme liability	22	(4,445,000)	(3,975,000)
Total net assets		<u><u>20,615,770</u></u>	<u><u>22,049,824</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	16	24,033,521	25,186,976
Restricted income funds	16	315,263	158,422
Pension reserve	16	(4,445,000)	(3,975,000)
Total restricted funds	16	<u>19,903,784</u>	<u>21,370,398</u>
Unrestricted income funds	16	<u>711,986</u>	<u>679,426</u>
Total funds		<u><u>20,615,770</u></u>	<u><u>22,049,824</u></u>

The financial statements on pages 22 to 48 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


Dawn Stark
Chair of Trustees
Date: 13/12/2021

The notes on pages 25 to 48 form part of these financial statements.

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	18	273,642	185,064
Cash flows from investing activities	19	(112,473)	(76,346)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		161,169	108,718
Cash and cash equivalents at the beginning of the year		1,187,987	1,079,269
Cash and cash equivalents at the end of the year	20, 21	<hr/> 1,349,156 <hr/>	<hr/> 1,187,987 <hr/>

The notes on pages 25 to 48 form part of these financial statements

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

1.4 Income

All incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.4 Income (continued)

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy has provided the goods or services.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet.

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- Straight line over 25 years
Motor vehicles	- 15% Reducing balance
Furniture and fixtures	- 25% Reducing balance
Computer equipment	- 33% Straight line

Land is not to be depreciated due to the freehold ownership and considered to have an indefinite life.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.11 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Operating lease commitments

The academy trust has entered into commercial lease contracts and as a lessee it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the academy trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	8,646	6,094	-	14,740	14,769
Capital grants	-	-	26,390	26,390	26,179
Total 2021	8,646	6,094	26,390	41,130	40,948
Total 2020	10,989	3,780	26,179	40,948	

4. Funding for the academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,971,068	5,971,068	5,578,251
Other DfE/ESFA grants				
Other DfE/ESFA grants	-	365,139	365,139	364,448
Pupil premium	-	66,816	66,816	57,214
	-	6,403,023	6,403,023	5,999,913
Other Government grants				
Local authority income	-	2,731	2,731	960
Other income from the academy trust's educational operations	172,956	16,982	189,938	354,473
	172,956	19,713	192,669	355,433
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	73,680	73,680	-
Other covid funding	-	50,880	50,880	-
	-	124,560	124,560	-
	172,956	6,547,296	6,720,252	6,355,346
Total 2020	350,273	6,005,073	6,355,346	

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4. Funding for the academy's educational operations (continued)

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate line under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £73,680 of funding for catch-up premium and costs incurred in respect of this funding totalled £37,371.

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities income	14,287	-	14,287	35,050
Other income	50,133	29,134	79,267	75,707
Total 2021	64,420	29,134	93,554	110,757
Total 2020	91,092	19,665	110,757	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest receivable	381	381	2,742
Total 2020	2,742	2,742	

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7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on:					
Raising funds	-	-	3,933	3,933	8,699
Educational operations:					
Direct costs	4,892,327	1,187,068	306,536	6,385,931	6,463,515
Support costs	940,864	395,719	442,924	1,779,507	1,516,106
Total 2021	<u>5,833,191</u>	<u>1,582,787</u>	<u>753,393</u>	<u>8,169,371</u>	<u>7,988,320</u>
Total 2020	<u>5,527,731</u>	<u>1,534,192</u>	<u>926,397</u>	<u>7,988,320</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	<u>6,385,931</u>	<u>1,779,507</u>	<u>8,165,438</u>	<u>7,979,621</u>
Total 2020	<u>6,463,515</u>	<u>1,516,106</u>	<u>7,979,621</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	13,725	13,725	2,050
Staff costs	4,668,536	4,668,536	4,628,452
Depreciation	1,187,070	1,187,070	1,186,390
Technology costs	33,436	33,436	36,451
Educational supplies	229,982	229,982	156,266
Examination fees	105,315	105,315	130,027
Indirect staff costs	33,165	33,165	23,273
Educational consultancy	32,354	32,354	33,424
Trip expenditure	82,348	82,348	264,986
Bad debt expense	-	-	2,196
Total 2021	<u>6,385,931</u>	<u>6,385,931</u>	<u>6,463,515</u>
Total 2020	<u>6,463,515</u>	<u>6,463,515</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	48,275	48,275	55,950
Staff costs	1,164,655	1,164,655	899,279
Depreciation	74,789	74,789	54,813
Technology costs	44,118	44,118	49,370
Other support costs	27,613	27,613	38,020
Maintenance of premises (and equipment)	47,733	47,733	45,841
Cleaning	22,708	22,708	13,229
Rent and rates	35,840	35,840	33,523
Energy costs	97,309	97,309	95,754
Insurance	24,276	24,276	24,688
Security	2,443	2,443	2,528
Catering	29,164	29,164	40,812
Auditors' remuneration	9,410	9,410	9,075
Legal	9,035	9,035	9,122
Profit/loss on disposal of fixed assets	1,335	1,335	-
Professional services	26,510	26,510	18,210
HR/Payroll services	5,407	5,407	8,237
Leasing costs	13,881	13,881	9,751
Transport cost (including leasing)	9,894	9,894	10,222
Other premises costs	80,042	80,042	79,213
Indirect staff costs	5,070	5,070	18,469
Total 2021	<u>1,779,507</u>	<u>1,779,507</u>	<u>1,516,106</u>
Total 2020	<u>1,516,106</u>	<u>1,516,106</u>	

During the year ended 31 August 2021, the academy incurred Governance cost £9,410 (2020: £10,815) which are included within Auditors' remuneration and Governors training and expenses in the table above in respect of educational operations.

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9. Net expenditure

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	23,381	18,935
Depreciation of tangible fixed assets	1,261,859	1,241,203
Fees paid to auditor for:		
- audit	7,830	7,600
- other services	1,580	1,475
	<u>1,273,650</u>	<u>1,268,213</u>

10. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021 £	2020 £
David Hallsworth, Headteacher and Accounting Officer	Remuneration	95,000 -	85,000 -
		100,000	90,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000

During the year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to Trustee (2020 - £NIL to Trustee). The amounts reimbursed to trustees were in relation to their day to day role as staff.

11. Trustees' and Officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,181,569	3,981,263
Social security costs	409,273	384,018
Pension costs	1,220,536	1,144,274
	<u>5,811,378</u>	<u>5,509,555</u>
Agency staff costs	21,813	18,176
	<u>5,833,191</u>	<u>5,527,731</u>

b. Staff numbers

The average number of persons employed by the academy during the year was as follows:

	2021 No.	2020 No.
Teachers	73	76
Administration and support	114	109
Management	6	5
	<u>193</u>	<u>190</u>

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	3	3
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<u>4</u>	<u>4</u>

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12. Staff (continued)

c. Higher paid staff (continued)

The employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2021 employer's contributions for these staff amounted to £69,126 (2020: £65,535).

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £523,274 (2020: £449,759).

13. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2020	36,154,710	5,205	512,834	301,140	36,973,889
Additions	16,990	-	32,472	63,392	112,854
Disposals	-	(1,745)	(12,362)	-	(14,107)
At 31 August 2021	<u>36,171,700</u>	<u>3,460</u>	<u>532,944</u>	<u>364,532</u>	<u>37,072,636</u>
Depreciation					
At 1 September 2020	11,102,441	3,306	428,293	255,990	11,790,030
Charge for the year	1,187,068	230	29,141	45,420	1,261,859
On disposals	-	(1,382)	(11,392)	-	(12,774)
At 31 August 2021	<u>12,289,509</u>	<u>2,154</u>	<u>446,042</u>	<u>301,410</u>	<u>13,039,115</u>
Net book value					
At 31 August 2021	<u>23,882,191</u>	<u>1,306</u>	<u>86,902</u>	<u>63,122</u>	<u>24,033,521</u>
At 31 August 2020	<u>25,052,269</u>	<u>1,899</u>	<u>84,541</u>	<u>45,150</u>	<u>25,183,859</u>

Included in Freehold property is freehold land at valuation of £6,495,000 (2020: £6,495,000), which is not depreciated.

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14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	-	321
Other debtors	-	6,393
Prepayments and accrued income	99,959	79,810
VAT recoverable	24,940	27,194
	<u>124,899</u>	<u>113,718</u>

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	71,559	114,983
Other taxation and social security	100,256	92,942
Other creditors	134,336	121,316
Accruals and deferred income	140,655	131,499
	<u>446,806</u>	<u>460,740</u>

	2021 £	2020 £
Deferred income at 1 September 2020	88,004	85,501
Resources deferred during the year	75,673	88,004
Amounts released from previous periods	(88,004)	(85,501)
Deferred income at 31 August 2021	<u>75,673</u>	<u>88,004</u>

At the balance sheet date the academy trust was holding funds received in advance for school trips and rates.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	679,426	246,403	(213,843)	-	-	711,986
Restricted general funds						
General Annual Grant(GAG)	155,102	5,971,068	(5,768,457)	(79,765)	-	277,948
Pupil premium	-	66,816	(66,816)	-	-	-
Other Dfe/ESFA Grants	-	365,139	(365,139)	-	-	-
Covid premium	-	73,680	(33,787)	(3,584)	-	36,309
Local Authority Grants	320	2,731	(3,051)	-	-	-
Restricted Donations	3,000	6,094	(9,094)	-	-	-
Educational operations	-	16,982	(15,976)	-	-	1,006
Other covid funding	-	50,880	(50,880)	-	-	-
Trading activities	-	29,134	(29,134)	-	-	-
Pension reserve	(3,975,000)	-	(350,000)	-	(120,000)	(4,445,000)
	<u>(3,816,578)</u>	<u>6,582,524</u>	<u>(6,692,334)</u>	<u>(83,349)</u>	<u>(120,000)</u>	<u>(4,129,737)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	25,186,976	26,390	(1,263,194)	83,349	-	24,033,521
Total Restricted funds	<u>21,370,398</u>	<u>6,608,914</u>	<u>(7,955,528)</u>	<u>-</u>	<u>(120,000)</u>	<u>19,903,784</u>
Total funds	<u><u>22,049,824</u></u>	<u><u>6,855,317</u></u>	<u><u>(8,169,371)</u></u>	<u><u>-</u></u>	<u><u>(120,000)</u></u>	<u><u>20,615,770</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

The specific purposes for which the funds are to be applied are as follows:

Unrestricted funds

These funds are for the general use of the academy and may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted funds

The General Annual Grant (GAG) represents funding received from the ESFA during the year in order to fund the continuing activities of the academy. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

Other DfE/ESFA Grants includes Pupil Premium funding to cater for disadvantaged pupils.

Restricted fixed asset funds

These funds represent fixed assets transferred on conversion to academy status together with DfE/ESFA capital grants which include Devolved Formula Capital and CIF funding. The Academy has set aside funds totalling £nil (2020: £3,117) for future capital projects. The funds are used for the purpose of buying or constructing fixed assets.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General Funds	621,960	455,096	(397,630)	-	679,426
Restricted general funds					
General Annual Grant(GAG)	137,466	5,901,235	(5,883,599)	-	155,102
Other Dfe/ESFA Grants	-	99,638	(99,638)	-	-
Local Authority grants	-	4,200	(3,880)	-	320
Restricted Donations	6,478	3,780	(10,258)	-	-
Other Income	5,447	19,665	(22,112)	-	3,000
Pension reserve	(3,147,000)	-	(330,000)	(498,000)	(3,975,000)
	<u>(2,997,609)</u>	<u>6,028,518</u>	<u>(6,349,487)</u>	<u>(498,000)</u>	<u>(3,816,578)</u>
Restricted fixed asset funds					
Restricted fixed asset funds	26,402,000	26,179	(1,241,203)	-	25,186,976
Total Restricted funds	<u>23,404,391</u>	<u>6,054,697</u>	<u>(7,590,690)</u>	<u>(498,000)</u>	<u>21,370,398</u>
Total funds	<u><u>24,026,351</u></u>	<u><u>6,509,793</u></u>	<u><u>(7,988,320)</u></u>	<u><u>(498,000)</u></u>	<u><u>22,049,824</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	24,033,521	24,033,521
Current assets	711,986	762,069	-	1,474,055
Creditors due within one year	-	(446,806)	-	(446,806)
Pension scheme liability	-	(4,445,000)	-	(4,445,000)
Total	711,986	(4,129,737)	24,033,521	20,615,770

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	25,183,859	25,183,859
Current assets	742,477	556,111	3,117	1,301,705
Creditors due within one year	(63,051)	(397,689)	-	(460,740)
Pension scheme liability	-	(3,975,000)	-	(3,975,000)
Total	679,426	(3,816,578)	25,186,976	22,049,824

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(1,314,054)	(1,478,527)
Adjustments for:		
Depreciation	1,261,859	1,241,203
Interest receivable	(381)	(2,742)
Loss on the sale of fixed assets	1,333	-
Defined benefit pension scheme finance cost	350,000	330,000
Decrease in debtors	(11,171)	83,686
Increase in creditors	(13,944)	11,444
Net cash provided by operating activities	273,642	185,064

19. Cash flows from investing activities

	2021 £	2020 £
Interest received	381	2,742
Purchase of tangible fixed assets	(112,854)	(79,088)
Net cash used in investing activities	(112,473)	(76,346)

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,349,156	1,187,987
Total cash and cash equivalents	1,349,156	1,187,987

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,187,987	161,169	1,349,156
	<u>1,187,987</u>	<u>161,169</u>	<u>1,349,156</u>

22. Pension commitments

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Dorset County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £109,264 were payable to the schemes at 31 August 2021 (2020 - £100,652) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £745,282 (2020 - £706,262).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £244,000 (2020 - £215,000), of which employer's contributions totalled £188,000 (2020 - £164,000) and employees' contributions totalled £ 56,000 (2020 - £51,000). The agreed contribution rates for future years are 21 per cent for employers and between 5.5 and 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.90	3.30
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.65	1.60

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2021 Years	2020 Years
Retiring today		
Males	23.1	23.3
Females	24.6	24.8
Retiring in 20 years		
Males	24.4	24.7
Females	26.1	26.2

Share of scheme assets

The academy's share of the assets in the scheme was:

	2021 £	2020 £
Equities	1,813,000	1,369,000
Gilts	390,000	320,000
Other bonds	184,000	211,000
Property	290,000	263,000
Cash and other liquid assets	53,000	27,000
Other assets	580,000	466,000
Total market value of assets	3,310,000	2,656,000

The actual return on scheme assets was £575,000 (2020 - £112,000).

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NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Current service cost	(474,000)	(385,000)
Liabilities assumed/(extinguished) on settlements	-	(49,000)
Interest income	43,000	49,000
Interest cost	(105,000)	(107,000)
Administrative expenses	(2,000)	(2,000)
Total amount recognised in the Statement of Financial Activities	(538,000)	(494,000)

Changes in the present value of the defined benefit obligations were as follows:

	2021 £	2020 £
At 1 September	6,631,000	5,668,000
Current service cost	474,000	385,000
Interest cost	105,000	107,000
Employee contributions	56,000	51,000
Actuarial losses	652,000	363,000
Benefits paid	(163,000)	(67,000)
Liabilities assumed on settlements	-	124,000
At 31 August	7,755,000	6,631,000

Changes in the fair value of the academy's share of scheme assets were as follows:

	2021 £	2020 £
At 1 September	2,656,000	2,521,000
Interest income	43,000	49,000
Actuarial gains/(losses)	532,000	(135,000)
Employer contributions	188,000	164,000
Employee contributions	56,000	51,000
Benefits paid	(163,000)	(67,000)
Administrative expenses	(2,000)	(2,000)
Settlement prices received	-	75,000
At 31 August	3,310,000	2,656,000

PARKSTONE GRAMMAR SCHOOL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

23. Operating lease commitments

At 31 August 2021 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Amounts payable:		
Within 1 year	23,055	17,582
Between 1 and 5 years	35,270	36,240
	<u>58,325</u>	<u>53,822</u>

24. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

25. Related party transactions

Owing to the nature of the academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

26. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the year ended 31 August 2021 the trust received £14,755 (2020: £18,689) and disbursed £11,943 (2020: £17,908). An amount of £23,287 (2020: £20,475) is included within other creditors relating to undistributed funds that is repayable to ESFA.